

(Washington, DC) Today, the Democratic-led Congress passed the College Cost Reduction Act of 2007 which provides the single largest investment in higher education since the GI Bill. Despite objections from top Republican leaders in the House, the measure won overwhelming approval in both the House and Senate. The House approved the bill 292 to 97, while the Senate voted 79 to 12 to approve the bill. The White House has stated that President Bush intends to sign the bill.

“This Congress has invested \$20 billion dollars over the next five years to ensure that higher education remains an obtainable goal for average Americans,” said Congressman Tim Ryan. “The only way our students will be able to compete in the global economy is if we make educating our students a top priority.”

Under the legislation, the maximum value of the Pell Grant scholarship will increase by \$1,090 over the next five years, reaching \$5,400 by 2012, up from \$4,050 in 2006 – thus restoring the purchasing power of the Pell Grant scholarship. Some students will see an immediate boost of almost \$500 in their Pell Grant scholarship in the 2008-2009 school year alone. Roughly 5.5 million low- and moderate-income students would benefit from this increase.

The bill will also cut interest rates in half on need-based student loans, from 6.8 percent to 3.4 percent, over the next four years. Once fully phased-in, this will save the typical student borrower – with \$13,800 in need-based student loan debt – \$4,400 over the life of the loan. About 6.8 million students take out need-based loans each year.